

Senate File 295

S-3153

Amend Senate File 295 as follows:

1. By striking everything after the enacting clause and inserting:

<DIVISION I

PROPERTY ASSESSMENT LIMITATION AND REPLACEMENT

Section 1. Section 257.3, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. The amount paid to each school district for the commercial and industrial property tax replacement claim under section 441.21A shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under section 441.21A, subsection 4, paragraph "a", and such amount shall be prorated pursuant to section 441.21A, subsection 2, if applicable.

Sec. 2. Section 331.512, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 13A. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

Sec. 3. Section 331.559, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 25A. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

Sec. 4. Section 441.21, subsection 4, Code 2013, is amended to read as follows:

4. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and residential property shall be assessed shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined. ~~However, if the difference between the dividend so determined for either class of property and the dividend for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual~~

1 value, excluding those resulting from the revaluation
2 of existing properties, as reported by the assessors
3 on the abstracts of assessment for 1978, is less than
4 six percent, the 1979 dividend for the other class of
5 property shall be the dividend as determined for that
6 class of property for valuations established as of
7 January 1, 1978, adjusted by the product obtained by
8 multiplying the percentage determined for that year
9 by the amount of any additions or deletions to actual
10 value, excluding those resulting from the revaluation
11 of existing properties, as reported by the assessors on
12 the abstracts of assessment for 1978, plus a percentage
13 of the amount so determined which is equal to the
14 percentage by which the dividend as determined for the
15 other class of property for valuations established as
16 of January 1, 1978, adjusted by the product obtained
17 by multiplying the percentage determined for that year
18 by the amount of any additions or deletions to actual
19 value, excluding those resulting from the revaluation
20 of existing properties, as reported by the assessors
21 on the abstracts of assessment for 1978, is increased
22 in arriving at the 1979 dividend for the other class
23 of property. The divisor for each class of property
24 shall be the total actual value of all such property
25 in the state in the preceding year, as reported by the
26 assessors on the abstracts of assessment submitted
27 for 1978, plus the amount of value added to said
28 total actual value by the revaluation of existing
29 properties in 1979 as equalized by the director of
30 revenue pursuant to section 441.49. The director shall
31 utilize information reported on abstracts of assessment
32 submitted pursuant to section 441.45 in determining
33 such percentage. For valuations established as of
34 January 1, 1980, and each assessment year thereafter
35 beginning before January 1, 2013, the percentage of
36 actual value as equalized by the director of revenue
37 as provided in section 441.49 at which agricultural
38 and residential property shall be assessed shall be
39 calculated in accordance with the methods provided
40 herein including the limitation of increases in
41 agricultural and residential assessed values to the
42 percentage increase of the other class of property if
43 the other class increases less than the allowable limit
44 adjusted to include the applicable and current values
45 as equalized by the director of revenue, as provided
46 in this section, Code 2013, except that any references
47 to six percent in this subsection shall be four
48 percent. For valuations established for the assessment
49 year beginning January 1, 2013, each assessment year
50 thereafter, the percentage of actual value as equalized

1 by the director of revenue as provided in section
2 441.49 at which agricultural and residential property
3 shall be assessed shall be calculated in accordance
4 with the methods provided in this subsection, except
5 that any references to six percent in this subsection
6 shall be zero percent.

7 Sec. 5. Section 441.21, subsection 5, Code 2013, is
8 amended to read as follows:

9 5. a. For valuations established as of January
10 1, 1979, commercial property and industrial property,
11 excluding properties referred to in section 427A.1,
12 subsection 8, shall be assessed as a percentage of
13 the actual value of each class of property. The
14 percentage shall be determined for each class of
15 property by the director of revenue for the state in
16 accordance with the provisions of this section. For
17 valuations established as of January 1, 1979, the
18 percentage shall be the quotient of the dividend and
19 divisor as defined in this section. The dividend
20 for each class of property shall be the total actual
21 valuation for each class of property established for
22 1978, plus six percent of the amount so determined.
23 The divisor for each class of property shall be the
24 valuation for each class of property established for
25 1978, as reported by the assessors on the abstracts
26 of assessment for 1978, plus the amount of value
27 added to the total actual value by the revaluation
28 of existing properties in 1979 as equalized by the
29 director of revenue pursuant to section 441.49. For
30 valuations established as of January 1, 1979, property
31 valued by the department of revenue pursuant to
32 chapters 428, 433, 437, and 438 shall be considered
33 as one class of property and shall be assessed as a
34 percentage of its actual value. The percentage shall
35 be determined by the director of revenue in accordance
36 with the provisions of this section. For valuations
37 established as of January 1, 1979, the percentage
38 shall be the quotient of the dividend and divisor as
39 defined in this section. The dividend shall be the
40 total actual valuation established for 1978 by the
41 department of revenue, plus ten percent of the amount
42 so determined. The divisor for property valued by
43 the department of revenue pursuant to chapters 428,
44 433, 437, and 438 shall be the valuation established
45 for 1978, plus the amount of value added to the total
46 actual value by the revaluation of the property by
47 the department of revenue as of January 1, 1979.
48 For valuations established as of January 1, 1980,
49 commercial property and industrial property, excluding
50 properties referred to in section 427A.1, subsection

1 8, shall be assessed at a percentage of the actual
2 value of each class of property. The percentage
3 shall be determined for each class of property by
4 the director of revenue for the state in accordance
5 with the provisions of this section. For valuations
6 established as of January 1, 1980, the percentage
7 shall be the quotient of the dividend and divisor as
8 defined in this section. The dividend for each class
9 of property shall be the dividend as determined for
10 each class of property for valuations established as
11 of January 1, 1979, adjusted by the product obtained
12 by multiplying the percentage determined for that year
13 by the amount of any additions or deletions to actual
14 value, excluding those resulting from the revaluation
15 of existing properties, as reported by the assessors
16 on the abstracts of assessment for 1979, plus four
17 percent of the amount so determined. The divisor
18 for each class of property shall be the total actual
19 value of all such property in 1979, as equalized by
20 the director of revenue pursuant to section 441.49,
21 plus the amount of value added to the total actual
22 value by the revaluation of existing properties in
23 1980. The director shall utilize information reported
24 on the abstracts of assessment submitted pursuant
25 to section 441.45 in determining such percentage.
26 For valuations established as of January 1, 1980,
27 property valued by the department of revenue pursuant
28 to chapters 428, 433, 437, and 438 shall be assessed
29 at a percentage of its actual value. The percentage
30 shall be determined by the director of revenue in
31 accordance with the provisions of this section. For
32 valuations established as of January 1, 1980, the
33 percentage shall be the quotient of the dividend and
34 divisor as defined in this section. The dividend shall
35 be the total actual valuation established for 1979 by
36 the department of revenue, plus eight percent of the
37 amount so determined. The divisor for property valued
38 by the department of revenue pursuant to chapters 428,
39 433, 437, and 438 shall be the valuation established
40 for 1979, plus the amount of value added to the total
41 actual value by the revaluation of the property by
42 the department of revenue as of January 1, 1980. For
43 valuations established as of January 1, 1981, and each
44 assessment year thereafter beginning before January 1,
45 2013, the percentage of actual value as equalized by
46 the director of revenue as provided in section 441.49
47 at which commercial property and industrial property,
48 excluding properties referred to in section 427A.1,
49 subsection 8, shall be assessed shall be calculated in
50 accordance with the methods provided herein, except

1 that any references to six percent in this subsection
2 shall be four percent. For valuations established
3 as of January 1, 1981, and each year thereafter, the
4 percentage of actual value at which property valued
5 by the department of revenue pursuant to chapters
6 428, 433, 437, and 438 shall be assessed shall be
7 calculated in accordance with the methods provided
8 herein, except that any references to ten percent in
9 this subsection shall be eight percent. Beginning
10 with valuations established as of January 1, 1979,
11 and each assessment year thereafter beginning before
12 January 1, 2013, property valued by the department of
13 revenue pursuant to chapter 434 shall also be assessed
14 at a percentage of its actual value which percentage
15 shall be equal to the percentage determined by the
16 director of revenue for commercial property, industrial
17 property, or property valued by the department of
18 revenue pursuant to chapters 428, 433, 437, and 438,
19 whichever is lowest. For valuations established on
20 or after January 1, 2013, but before January 1, 2017,
21 commercial property and industrial property shall be
22 assessed as provided in paragraphs "b" and "c", as
23 applicable. For valuations established as of January
24 1, 2017, and each assessment year thereafter, the
25 percentage of actual value as equalized by the director
26 of revenue as provided in section 441.49 at which
27 commercial property and industrial property, excluding
28 properties referred to in section 427A.1, subsection
29 8, shall be assessed shall be calculated in accordance
30 with the methods provided in this subsection, except
31 that any references to six percent in this subsection
32 shall be zero percent. For valuations established
33 on or after January 1, 2013, property valued by the
34 department of revenue pursuant to chapter 434 shall
35 be assessed at a percentage of its actual value equal
36 to the percentage of actual value at which property
37 assessed as commercial property is assessed for the
38 same assessment year.

39 b. For valuations established on or after January
40 1, 2013, but before January 1, 2017, commercial
41 property, excluding properties referred to in section
42 427A.1, subsection 8, shall be assessed at a percentage
43 of its actual value, as determined in this paragraph
44 "b". For valuations established for the assessment
45 year beginning January 1, 2013, the percentage of
46 actual value as equalized by the director of revenue
47 as provided in section 441.49 at which commercial
48 property shall be assessed shall be ninety-five
49 percent. For valuations established for the assessment
50 year beginning January 1, 2014, the percentage of

1 actual value as equalized by the director of revenue
2 as provided in section 441.49 at which commercial
3 property shall be assessed shall be ninety percent.
4 For valuations established for the assessment year
5 beginning January 1, 2015, the percentage of actual
6 value as equalized by the director of revenue as
7 provided in section 441.49 at which commercial property
8 shall be assessed shall be eighty-five percent.
9 For valuations established for the assessment year
10 beginning January 1, 2016, the percentage of actual
11 value as equalized by the director of revenue as
12 provided in section 441.49 at which commercial property
13 shall be assessed shall be eighty percent.
14 c. For valuations established on or after January
15 1, 2013, but before January 1, 2017, industrial
16 property, excluding properties referred to in section
17 427A.1, subsection 8, shall be assessed at a percentage
18 of its actual value, as determined in this paragraph
19 "c". For valuations established for the assessment
20 year beginning January 1, 2013, the percentage of
21 actual value as equalized by the director of revenue
22 as provided in section 441.49 at which industrial
23 property shall be assessed shall be ninety-five
24 percent. For valuations established for the assessment
25 year beginning January 1, 2014, the percentage of
26 actual value as equalized by the director of revenue
27 as provided in section 441.49 at which industrial
28 property shall be assessed shall be ninety percent.
29 For valuations established for the assessment year
30 beginning January 1, 2015, the percentage of actual
31 value as equalized by the director of revenue as
32 provided in section 441.49 at which industrial property
33 shall be assessed shall be eighty-five percent.
34 For valuations established for the assessment year
35 beginning January 1, 2016, the percentage of actual
36 value as equalized by the director of revenue as
37 provided in section 441.49 at which industrial property
38 shall be assessed shall be eighty percent.

39 **Sec. 6. NEW SECTION. 441.21A Commercial and**
40 **industrial property tax replacement — replacement**
41 **claims.**

42 **1. a. For each fiscal year beginning on or after**
43 **July 1, 2014, there is appropriated from the general**
44 **fund of the state to the department of revenue an**
45 **amount necessary for the payment of all commercial**
46 **and industrial property tax replacement claims under**
47 **this section for the fiscal year. However, for a**
48 **fiscal year beginning on or after July 1, 2018, the**
49 **total amount of moneys appropriated from the general**
50 **fund of the state to the department of revenue for**

1 the payment of commercial and industrial property tax
2 replacement claims in that fiscal year shall not exceed
3 the total amount of money that was necessary to pay
4 all commercial and industrial property tax replacement
5 claims for the fiscal year beginning July 1, 2017.

6 b. Moneys appropriated by the general assembly to
7 the department under this subsection for the payment
8 of commercial and industrial property tax replacement
9 claims are not subject to a uniform reduction in
10 appropriations in accordance with section 8.31.

11 2. Beginning with the fiscal year beginning
12 July 1, 2014, each county treasurer shall be paid
13 by the department of revenue an amount equal to the
14 amount of the commercial and industrial property tax
15 replacement claims in the county, as calculated in
16 subsection 4. For fiscal years beginning on or after
17 July 1, 2018, if an amount appropriated for a fiscal
18 year is insufficient to pay all replacement claims,
19 the director of revenue shall prorate the payment of
20 replacement claims to the county treasurers and shall
21 notify the county auditors of the pro rata percentage
22 on or before September 30.

23 3. On or before July 1 of each fiscal year
24 beginning on or after July 1, 2014, the assessor shall
25 report to the county auditor the total actual value of
26 all commercial property and industrial property in the
27 county for the assessment year used to calculate the
28 taxes due and payable in that fiscal year.

29 4. On or before a date established by rule of the
30 department of revenue of each fiscal year beginning on
31 or after July 1, 2014, the county auditor shall prepare
32 a statement, based upon the report received pursuant
33 to subsection 3, listing for each taxing district in
34 the county:

35 a. The difference between the assessed valuation
36 of all commercial property and industrial property for
37 the assessment year used to calculate taxes which are
38 due and payable in the applicable fiscal year and the
39 actual value of all commercial property and industrial
40 property for the same assessment year. If the
41 difference between the assessed value of all commercial
42 property and industrial property and the actual
43 valuation of all commercial property and industrial
44 property is zero, there is no tax replacement for that
45 taxing district for the fiscal year.

46 b. The tax levy rate per one thousand dollars of
47 assessed value for each taxing district for that fiscal
48 year.

49 c. The commercial and industrial property tax
50 replacement claim for each taxing district. The

1 replacement claim is equal to the amount determined
2 pursuant to paragraph "a", multiplied by the tax rate
3 specified in paragraph "b", and then divided by one
4 thousand dollars.

5 5. For purposes of computing replacement amounts
6 under this section, that portion of an urban renewal
7 area defined as the sum of the assessed valuations
8 defined in section 403.19, subsections 1 and 2, shall
9 be considered a taxing district.

10 6. a. The county auditor shall certify and forward
11 one copy of the statement to the department of revenue
12 not later than a date of each year established by the
13 department of revenue by rule.

14 b. The replacement claims shall be paid to each
15 county treasurer in equal installments in September
16 and March of each year. The county treasurer shall
17 apportion the replacement claim payments among the
18 eligible taxing districts in the county.

19 c. If the taxing district is an urban renewal
20 area, the amount of the replacement claim shall be
21 apportioned and credited to those portions of the
22 assessed value defined in section 403.19, subsections
23 1 and 2, as follows:

24 (1) To that portion defined in section 403.19,
25 subsection 1, an amount of the replacement claim that
26 is proportionate to the amount of actual value of the
27 commercial and industrial property in the urban renewal
28 area as determined in section 403.19, subsection 1,
29 that was subtracted pursuant to section 403.20, as
30 it bears to the total amount of actual value of the
31 commercial and industrial property in the urban renewal
32 area that was subtracted pursuant to section 403.20 for
33 the assessment year for property taxes due and payable
34 in the fiscal year for which the replacement claim is
35 computed.

36 (2) To that portion defined in section 403.19,
37 subsection 2, the remaining amount, if any.

38 d. Notwithstanding the allocation provisions of
39 paragraph "c", the amount of the tax replacement amount
40 that shall be allocated to that portion of the assessed
41 value defined in section 403.19, subsection 2, shall
42 not exceed the amount equal to the amount certified to
43 the county auditor under section 403.19 for the fiscal
44 year in which the claim is paid, after deduction of
45 the amount of other revenues committed for payment
46 on that amount for the fiscal year. The amount not
47 allocated to that portion of the assessed value defined
48 in section 403.19, subsection 2, as a result of the
49 operation of this paragraph, shall be allocated to that
50 portion of assessed value defined in section 403.19,

1 subsection 1.

2 e. The amount of the replacement claim amount
3 credited to the portion of the assessed value defined
4 in section 403.19, subsection 1, shall be allocated
5 to and when received be paid into the fund for the
6 respective taxing district as taxes by or for the
7 taxing district into which all other property taxes
8 are paid. The amount of the replacement claim amount
9 credited to the portion of the assessed value defined
10 in section 403.19, subsection 2, shall be allocated to
11 and when collected be paid into the special fund of the
12 municipality under section 403.19, subsection 2.

13 Sec. 7. SAVINGS PROVISION. This division of this
14 Act, pursuant to section 4.13, does not affect the
15 operation of, or prohibit the application of, prior
16 provisions of section 441.21, or rules adopted under
17 chapter 17A to administer prior provisions of section
18 441.21, for assessment years beginning before January
19 1, 2013, and for duties, powers, protests, appeals,
20 proceedings, actions, or remedies attributable to an
21 assessment year beginning before January 1, 2013.

22 Sec. 8. EFFECTIVE UPON ENACTMENT. This division of
23 this Act, being deemed of immediate importance, takes
24 effect upon enactment.

25 Sec. 9. RETROACTIVE APPLICABILITY. This division
26 of this Act applies retroactively to January 1, 2013,
27 for assessment years beginning on or after that date.

28 DIVISION II

29 SCHOOL DISTRICT FUNDING

30 Sec. 10. Section 257.1, subsection 2, paragraph b,
31 Code 2013, is amended by striking the paragraph and
32 inserting in lieu thereof the following:

33 b. (1) The regular program foundation base per
34 pupil is the following:

35 (a) For the budget year commencing July 1,
36 2012, and the budget year commencing July 1, 2013,
37 the regular program foundation base per pupil is
38 eighty-seven and five-tenths percent of the regular
39 program state cost per pupil.

40 (b) For the budget year commencing July 1, 2014,
41 the regular program foundation base per pupil is
42 eighty-nine and three hundred seventy-five thousandths
43 percent of the regular program state cost per pupil.

44 (c) For the budget year commencing July 1, 2015,
45 the regular program foundation base per pupil is
46 ninety-one and twenty-five hundredths percent of the
47 regular program state cost per pupil.

48 (d) For the budget year commencing July 1, 2016,
49 the regular program foundation base per pupil is
50 ninety-three and one hundred twenty-five thousandths

1 percent of the regular program state cost per pupil.

2 (e) For the budget year commencing July 1, 2017,
3 and succeeding budget years, the regular program
4 foundation base per pupil is ninety-five percent of the
5 regular program state cost per pupil.

6 (2) For each budget year, the special education
7 support services foundation base is seventy-nine
8 percent of the special education support services state
9 cost per pupil. The combined foundation base is the
10 sum of the regular program foundation base, the special
11 education support services foundation base, the total
12 teacher salary supplement district cost, the total
13 professional development supplement district cost, the
14 total early intervention supplement district cost, the
15 total area education agency teacher salary supplement
16 district cost, and the total area education agency
17 professional development supplement district cost.

18 DIVISION III

19 HOMESTEAD CREDIT ADJUSTMENT

20 Sec. 11. Section 425.1, subsection 2, Code 2013, is
21 amended to read as follows:

22 2. a. The homestead credit fund shall be
23 apportioned each year so as to give a credit against
24 the tax on each eligible homestead in the state in
25 an amount equal to the actual levy on the first four
26 thousand eight hundred fifty dollars, as adjusted
27 pursuant to paragraph "b", of actual value for each
28 homestead.

29 b. The amount of actual value specified in
30 paragraph "a" shall be adjusted annually as provided in
31 this paragraph. For each fiscal year beginning on or
32 after July 1, 2013, the amount of actual value used to
33 calculate the homestead credit shall be the amount of
34 actual value used to calculate the homestead credit in
35 the immediately preceding fiscal year multiplied by the
36 annual homestead credit factor and then rounded to the
37 nearest multiple of ten dollars.

38 c. For the purposes of this subsection, *"annual*
39 *homestead credit factor"* means the sum of one hundred
40 percent plus the annual percentage change, but not less
41 than zero, in the consumer price index for all urban
42 consumers published by the United States department of
43 labor, bureau of labor statistics, calculated for the
44 calendar year ending six months prior to the beginning
45 of the fiscal year for which the homestead credit is
46 being provided.

47 Sec. 12. APPLICABILITY. This division of this Act
48 applies to property taxes due and payable in fiscal
49 years beginning on or after July 1, 2013.>

50 2. Title page, by striking lines 1 through 4

1 and inserting <An Act relating to state and local
2 finances by establishing and modifying property
3 assessment limitations, providing for commercial
4 and industrial property tax replacement payments,
5 increasing the regular program foundation base
6 percentage, providing for an adjustment to the amount
7 of value used to calculate the homestead credit,
8 making appropriations, and including effective date,
9 retroactive applicability, and other applicability
10 provisions.>

RANDY FEENSTRA